

New York

Healthy New York

Overview

The Healthy New York program will begin January 1, 2001, under the Health Care Reform Act of 2000 (HCRA).¹ Healthy New York is designed to promote and provide affordable insurance coverage to 1) small businesses with low-income workers, and 2) low- to moderate-income working uninsured individuals. Both components are based on making coverage more affordable through a streamlined benefits package and state-funded stop-loss protection to health plans.

As of January 1, 2001, all HMOs in the state will be required to offer a “scaled-down” standardized comprehensive benefits package to qualifying employers and eligible individuals. Nonprofit and commercial insurers may participate on a voluntary basis. The health plans will be able to submit claims that fall from \$30,000 to \$100,000 per member for reimbursement from two state stop-loss funds (one for small group coverage and one for individual coverage). The New York State Department of Insurance will administer the program, and is currently writing regulations and preparing for implementation.

Location

Statewide in New York.

Target Beneficiaries

1) Small businesses (with a portion of low- to moderate-income employees) that are not providing insurance, and 2) uninsured, low- to moderate-income working individuals.

Number of Participants

Not yet implemented.

Time Frame

Program will begin January 1, 2001.

Eligibility

Businesses will be eligible to purchase the scaled-down health plans if they:

- Have 50 or fewer eligible (to be defined) employees.
- Have not offered group health insurance during the past 12 months.
- Have a workforce in which at least 30% are receiving annual wages at or below \$30,000 (adjusted annually for inflation).
- Have at least 50% of eligible employees and at least one employee earning \$30,000 or less participate in the health plan.
- Agree to contribute at least 50% of the premium under the program, with employer contributions the same for all covered employees.

In addition, sole proprietors may participate if they have been uninsured for the past 12 months and have a gross household income at or below 250% of FPL (approximately \$41,000 annually for a family of four).

¹ The description here reflects program planning as of June 2000; some aspects may be modified as regulations are developed through year 2000.

Individuals are eligible to purchase the scaled-down health plans directly if:

- Their employer does not provide and has not provided group health insurance over the past 12 months.
- Their household income is at or below 250% of FPL.
- They are not eligible for Medicare.
- They have not had health insurance during the past 12 months.

Amount of Subsidy

It is expected that the scaled down benefits package and the stop-loss protection to HMOs will result in reduced premium rates. (HMOs will be required to submit rate filings for state review and approval.) It is not yet known, however, to what degree the rates will be lower than existing small group and individual insurance plans. Qualified employers must contribute at least 50% of the premium (employees pay the remainder), and individual workers purchasing coverage directly through the program pay the full cost of coverage.

Health plans will be eligible for reimbursement from two stop-loss funds for 90% of claims that fall from \$30,000 to \$100,000 for each member. The health plans are responsible for all claims below \$30,000 and above \$100,000.

Coverage

The standardized benefit package will include essential coverage for inpatient and outpatient hospital services, physician diagnostic and treatment services, maternity, family preventive and primary care, x-ray and lab services, emergency services, and a prescription drug benefit. The plan is exempt from certain state-mandated benefits, and thereby does not cover home health care, chiropractic care, outpatient alcohol and substance abuse treatment, and mental health coverage. The drug coverage is limited to a \$3,000 maximum.

Outreach and Marketing

Initially, brochures will be sent to small businesses. A full marketing plan involving a variety of media is being developed and will commence in fall 2000.

Financing

State funding under HCRA provides \$219 million over 2½ years (through July 1, 2003).

Contact for More Information

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Sources: Personal communications with Eileen Hayes, New York State Department of Insurance, June 2000; New York State website:

<http://www.ins.state.us/csmhlthy.htm>.

Source: The Commonwealth Fund,
(http://www.cmwf.org/programs/insurance/silow-carroll_initiatives_424.pdf)